



**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
May 28, 2024**

PRESENT: Frank Gutierrez, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Steve Carse, Fire Department Representative;
Jason Sanchez, Police Department Representative; and
Councilperson Melissa Cabello Havrda, City of San Antonio.

ABSENT: Doug Berry, Fire Department Representative;
Councilperson Marc Whyte, City of San Antonio; and
Mayoral Appointee Tom Silliman, City of San Antonio.

OTHERS PRESENT: James Bounds, Executive Director and Cecilia Puga;
Frank Burney and Jon Lowe, Martin & Drought, P.C.

At 1:00 p.m., Acting Chair Lutton called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meeting held on April 29, 2024 and May 13, 2024, were reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Carse.

EXECUTIVE

SESSION: The Board went into Executive Session at 1:27 p.m. to discuss with its attorneys legal issues and competitive bidding. The Executive Session adjourned at 1:56 p.m.

MEMBERS

TO BE

HEARD: Dr. Rogers expressed his appreciation for those with military service (VFW Post may recognize First Responders) and requested that the Board conduct a review of procedures for Tricare (volunteered to chair this effort). He also requested financial reports for the last two months.

ACTION

ITEMS:

1. Investments: Mr. Bounds informed the Board of an Investment Committee meeting May 29, 2024.

2. Personnel/ Audit:

- a. Audit: Field work commences in mid-June for audit.
- b. Member Software Systems: Levi and H.R. Mecca will be submitting proposals for “in-house” systems. Committee will review proposals before next Board meeting.

3. Benefits:

- a. PBM Search: Finalists for PBM search are being interviewed, along with a proposal from HEB.

4. Legislative: Mr. Burney reported that there were no more suggestions as to Legislative changes and that draft Legislation was final. Upon motion by Trustee Sanchez and seconded by Trustee Cabello Havrda, the Board unanimously approved the draft Legislative amendments as proposed by the Legislative Committee.

5. Administrative Report:

- a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Cabello Havrda and second by Trustee Despres, a list of April expenses and claims and the Financial Report were unanimously approved by the Board.
- b. Strategic Business Planning Committee: None.

6. Consultant Report:

- a. Legal: None.

7. Educational Opportunities:

Upon motion by Trustee Despres and second by Trustee Gutierrez, the Board approved attendance at any of the following educational opportunities:

- 2024 Neuberger Berman Private Markets Limited Partners Annual Meeting, June 26-27, 2024

Councilmember Cabello Havrda requested a copy of the report from this Conference.

8. Next Meeting: The next regularly scheduled meeting will be June 24, 2024 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Sanchez and second by Trustee Carse that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 1:58 p.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes

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CERTIFIED AGENDA OF CLOSED MEETING

HEALTH FUND

I, CHRIS LUTTON, THE ACTING PRESIDING OFFICER OF HEALTH FUND, CERTIFY THAT THIS DOCUMENT ACCURATELY REFLECTS ALL SUBJECTS CONSIDERED IN AN EXECUTIVE SESSION OF THE BOARD CONDUCTED ON MAY 28, 2024.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session May 28, 2024 at 1:27 p.m."
2. SUBJECT MATTER OF EACH DELIBERATION:
 - Discussions with attorney relating to his or her advice on legal matters related to any matter in which the duty of the attorney to Health Fund under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act; and
 - Discussions regarding attorney-client discussions on legal issues and competitive bidding.
3. No further action was taken.
4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on May 28, 2024 at 1:56 p.m."

Presiding Officer

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AGENDA
BOARD OF TRUSTEES MEETING
FIRE AND POLICE RETIREE HEALTH CARE FUND
LOCATED AT 11603 W. COKER LOOP, SUITE 210, SAN ANTONIO, TX 78216
Tuesday, May 28, 2024-1:00 p.m.

Members of the public may provide comment on any Agenda item, consistent with procedural rules governing the Board meetings and state law. Public comment may be provided as follows:

- a. Written: Submit written comments, along with name and address, by emailing them to Leticia Deleon at ldeleon@thefundsa.org by 12:00 p.m. on the day before the meeting. Comments will be read into the record during the designated time on the agenda.
- b. In Person: Speakers shall be given the opportunity to speak at the beginning of the meeting during "Public Comment" for up to 3 minutes (6 minutes if translation is needed).

- 1. Call to Order:
- 2. Roll Call: Doug Berry, Frank Gutierrez, Steven Carse, Chris Lutton, Michael Despres, Jason Sanchez, Councilperson Melissa Cabello Havrda, Councilperson Marc Whyte, Tom Silliman.
- 3. EXECUTIVE SESSION (Discussion only – Closed to Public):

The Board of Trustees may recess the meeting to the public at any time and hold an Executive Session pursuant to the Texas Open Meetings Act, Chapter 551.071, of the Texas Government Code. Such Act provides for Executive Session on any matter to be considered during the meeting as it relates to consultation with attorneys, real property, personnel, and other matters. While any matter on the agenda may also be discussed, these specific matters may be discussed with counsel in Executive Session:

- a. **Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of Health Fund in Negotiations with a Third Party;**
- b. **Government Code §551.071 - All Matters Where Health Fund Seeks the Advice of its Attorney as Privileged Communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas:**
- c. **Pending or Contemplated Litigation; and**
- d. **Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Health Fund.**

- 4. Minutes (Discussion and possible action):
 - Board Meeting Minutes for April 29, 2024

5. Public Comment
6. Committee Reports (discussion and possible action):
 - a. Investments:
 - b. Personnel/Audit:
 - c. Benefits:
 - d. Legislative:
 - 2025 Session Legislative Amendments
7. Administrative report (discussion and possible action):
 - a. Draft financial reports for April 2024
 - b. Discussion of Strategic Business Planning Committee Meeting
8. Consultant Reports (discussion and possible action):
 - a. Legal: Report by Frank Burney
9. Educational Opportunities (discussion and possible action):
 - 2024 Neuberger Berman Private Markets Limited Partners Annual Meeting
June 26-27, 2024
10. Adjournment:

NOTE:

Speakers may address the Board regarding any specific Agenda Item, on any matter related to Fund business, or on matters that are within the scope of the authority and legislative functions of the Board. Speakers shall be given the opportunity to speak at the beginning of the meeting during “Public Comment” for up to 3 minutes (6 minutes if translation is needed.) Enumerated agenda items are assigned numbers for ease of reference only and will not necessarily be considered by the Board in that order. For those who need assistance due to physical challenges, accommodation can be arranged by contacting James Bounds at 210-494-6500.



**Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
April 29, 2024**

PRESENT: Frank Gutierrez, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Steve Carse, Fire Department Representative;
Doug Berry, Fire Department Representative (arrived at 10:20 a.m.);
Jason Sanchez, Police Department Representative; and
Councilperson Marc Whyte, City of San Antonio.

ABSENT: Councilperson Melissa Cabello Havrda, City of San Antonio; and
Mayoral Appointee Tom Silliman, City of San Antonio.

OTHERS James Bounds, Executive Director;
PRESENT: Cecilia Puga Retiree Health Care; and
Frank Burney, Martin & Drought, P.C.

At 10:02 a.m., Vice-Chair Lutton called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meetings held on March 25, 2024, were reviewed and unanimously approved upon motion by Trustee Despes and second by Trustee Sanchez.

EXECUTIVE

SESSION: The Board went into Executive Session at 10:45 a.m. to discuss legal issues potential litigation and benefits. The Executive Session adjourned at 11:30 a.m.

**MEMBERS
TO BE**

HEARD: Mr. Rogers. Mr. Rogers presented his request for processing of secondary claims:

- (i) He reiterated his request as set out in his email dated April 28, 2024 for copy of contract with Welldyne.
- (ii) He withdrawn request #2 but reiterated his request for #3 and 4.
- (iii) He also presented a claims history for payment of a prescription in February 2024.
- (iv) He requested that the Board consider requiring Welldyne to coordinate claims.

Mr. Ricketts. Mr. Ricketts expressed his appreciation for the Board's approval of new language for "precertification".

ACTION
ITEMS:

1. Investments: Mr. Bounds reported on the upcoming May meeting on May 29th for investments, with a search pending. It also will provide an analysis of active v. passive and domestic small cap.
2. Personnel/ Audit: Trustee Sanchez recommended a contract with Levi (Pension Gold) to design scope and cost for processing backroom operation at a cost of \$150 per hour for an estimated sixty (60) hours. Upon motion by Trustee Despres and second by Trustee Silliman, an initial scoping contract with Levi for backroom software was unanimously approved.
3. Benefits: PBM Search. Trustee Despres reported on a search for PBM managers with proposals from:
 - i. Maxxer
 - ii. Capital RX
 - iii. CERPAS
 - iv. Kroger RX

Presentations will be scheduled with the Committee and Board in June, 2024. PBM transition is scheduled for January, 2025.

4. Legislative: Mr. Burney reported on receipt of letter from Foster & Foster Actuary that opined that all Legislative Changes discussed with Legislative Committee and Board had “de minimis” impact to the Health Fund. Chair Carse will schedule a meeting for further action.
5. Administrative Report:
 - a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Despres and second by Trustee Gutierrez, a list of expenses and claims and the Financial Report were unanimously approved by the Board.
 - b. Strategic Business Planning Committee: None.
6. Consultant Report:
 - a. Legal: None.
7. Educational Opportunities:

Upon motion by Trustee Despres and second by Trustee Gutierrez, the Board approved attendance at any of the following educational opportunities:

- IFEBP: Accounting & Auditing Institute for Employee Benefit Plans, June 24-26, 2024.
- NAPPA, June 25-28, 2024.

8. Next Meeting: The next regularly scheduled meeting will be rescheduled to May 28, 2024 at 1:00 p.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Berry and second by Trustee Sanchez that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:31 a.m.

Enclosures

- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Foster & Foster Letter
- Report from Dr. Rogers

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F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
April 30, 2023

April 30, 2024

December 31, 2023

ASSETS

Cash - City	\$ 0.00	\$ 0.00
Cash - Trust	484,985.45	0.00
Leasehold Improvements	45,279,218.13	45,640,483.05
Investments - Trust	560,547,990.66	547,762,640.01
Accrued Interest - Trust	1,760,016.06	1,587,714.26
Pre-paid Expenses	1,194,871.50	36,485.50
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Total Assets	609,267,081.80	595,027,322.82

LIABILITIES

Claims Payable	4,979,073.67	4,895,039.90
Accounts Payable	1,302,026.38	1,632,663.84
Security Lending Collateral	0.00	0.00
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Total Liabilities	6,281,100.05	6,527,703.74

Net Assets Held in Trust	\$ 602,985,981.75	\$ 588,499,619.08
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F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Four Months Ending April 30, 2024

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	\$ 3,838,221.20	4,136,000.00	\$ 17,170,607.86	16,544,000.00
Active	1,918,247.82	2,068,800.00	8,584,361.95	8,275,200.00
Retirees less than 30	136,289.50	136,500.00	528,489.50	546,000.00
COBRA	4,066.91	4,000.00	13,776.01	16,000.00
Children	57,750.00	55,500.00	221,550.00	222,000.00
Total Contributions	<u>5,954,575.43</u>	<u>6,400,800.00</u>	<u>26,518,785.32</u>	<u>25,603,200.00</u>
Investment Income:				
Interest	122,450.76	179,100.00	692,119.64	716,400.00
Net Appreciation of Inves	(5,710,856.64)	2,747,900.00	9,799,734.23	10,991,600.00
Other Income	2,399.02	1,660.00	133,340.36	6,640.00
Less Investment Expense	<u>(28,033.33)</u>	<u>(29,660.00)</u>	<u>(108,433.32)</u>	<u>(115,040.00)</u>
Net Investment Income	<u>(5,614,040.19)</u>	<u>2,899,000.00</u>	<u>10,516,760.91</u>	<u>11,599,600.00</u>
Total Additions	<u>340,535.24</u>	<u>9,299,800.00</u>	<u>37,035,546.23</u>	<u>37,202,800.00</u>
Deductions				
Members Benefit Paymen	6,166,907.32	2,883,400.00	14,583,334.17	11,533,600.00
COBRA Benefit Payment	3,856.59	3,900.00	32,796.86	15,600.00
Children's Benefit Payme	85,806.65	55,600.00	160,686.07	222,400.00
General and Administrati	<u>1,876,826.83</u>	<u>1,486,450.00</u>	<u>7,772,366.46</u>	<u>5,945,800.00</u>
Total Deductions	<u>8,133,397.39</u>	<u>4,429,350.00</u>	<u>22,549,183.56</u>	<u>17,717,400.00</u>
Net Increase	<u>(7,792,862.15)</u>	<u>4,870,450.00</u>	<u>14,486,362.67</u>	<u>19,485,400.00</u>